

Washington D.C. - Ways and Means member Rep. Linda Sánchez (D-CA) testified today before the Trade Subcommittee hearing on trade preference systems. Rep. Sánchez, a long time advocate for a new trade model, took the opportunity to discuss what works about U.S. trade preferences policy as well as what does not.

“As we re-examine our preference systems, I urge the Committee to explore options for holding nations accountable for protecting the rights of working families,” said Rep. Linda Sánchez. “We must examine our trade preferences with a focus on shared prosperity. We should encourage development with dignity. We should shape preferences programs to promote labor rights and a clean environment, which will help build economic opportunity both here and abroad.”

America’s preferences programs have a laudable goal: to assist developing countries in their efforts to build up domestic industries, increase exports, and alleviate poverty. In some cases, the preferences appear to have been wildly successful. In others, the preferences have been less successful - at least from the point of view of working families.

Speaking on reports that some countries engage in policies that deny workers freedom of association, Sánchez said, “Encouraging and rewarding such abhorrent human rights policies with trade benefits is contrary to what America stands for, and not only harms families abroad, but also those struggling to make a living here at home.”

According to a petition filed with the United States Trade Representative, the government of the Republic of the Philippines has engaged in policies that deny workers freedom of association as guaranteed under International Labor Organization (ILO) Convention 87, and has undermined the ability of workers to form and join unions in violation of ILO Convention 98. The petition also accuses the Philippine government of involvement in extra-judicial killings and abductions of union leaders, members, organizers, and supporters through elements of the Armed Forces of the Philippines, the Philippine National Police, local police forces, and private security forces.

“Given such reports, which are not limited to the Philippines, I strongly believe that it is appropriate to re-examine our approach to preference system creation and renewal,” continued Sánchez.

Rep. Sánchez also discussed Ecuador, a nation in which our trade policies may be leaving working families behind. The Chevron Corporation, in the midst of a multi-billion dollar lawsuit brought on by indigenous Indian peasants, has been accused of dumping billions of gallons of toxic oil wastes into the region’s rivers and streams, causing extraordinary environmental and human damage. Chevron has been pushing - first the Bush Administration - and now President Obama’s, to take an extraordinary step by yanking special trade preferences for Ecuador if the country’s government doesn’t quash the case.

Texaco, now Chevron, began its oil operations roughly 40 years ago in a once pristine region of the Amazon rainforest. Today, this region, the size of Rhode Island, struggles to deal with an environmental and humanitarian crisis. More than 1,400 residents have died from cancer, birth defects are prevalent, and the region suffers from water contamination, rainforest deforestation, and ecosystem degradation. The inhabitants of the region still drink and bathe in polluted water.

“There are innumerable stories I could share from the 230,000 people who live along the oil fields in northern Ecuador,” Sánchez testified. “Too many children have cancer and, as a result, too many parents have to experience the ultimate heartbreak - the death of a child.

“Instead of allowing this case to come to a conclusion, embarking on clean-up efforts, or even seeking mediation, Chevron has engaged in a lobbying effort that looks like little more than extortion. Apparently, if it can’t get the outcome it wants from the Ecuadorian court system, Chevron will use the U.S. government to deny trade benefits until Ecuador cries uncle.

“This turns the goal of trade preferences on its head! Trade preferences should be used as a hand up to provide needed help to the families of developing nations, not a paddle to punish governments who refuse to succumb to the demands of multi-billion dollar corporations.

“It’s well past time to reform our trade policies so that they work for working families. We must abandon the naïve view that free trade alone is an economic development policy.

“If poor countries have opportunities to build up their middle class, it creates new consumers for U.S. products.

“Trade preferences must be combined with other forms of assistance that will help countries to sustain themselves and develop the infrastructure and capacity they need to fully take advantage of the trade preference programs the U.S. offers and the world market at large.”

To read more about [Chevron’s lobbying efforts in the Ecuador case, click here](#) .

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